

SFY2017 Nursing Facility Direct Care Add-on Compliance Form Instructions

This document provides instructions for nursing facilities to complete the SFY2017 Nursing Facility Direct Care Add-on Compliance Form. Please refer to 101 CMR 206.00: Standard Payments to Nursing Facilities and Administrative Bulletin 16-18 for direct care add-on compliance requirements.

Forms will be required to be filed electronically. The website URL will be provided at a later date.

Cover Page and Certification: Facilities must complete the facility name, the Medicaid provider identification number, and the contact information fields on the first page of the Compliance Form. A facility owner, partner, or officer must be identified as the contact person for the report and must certify the accuracy of the reported data.

(a) Part A: Direct Care Add-on Revenue and Uses

1. *Direct care add-on per day.* Report the “direct care add-on” per diem amount specified in the facility’s certified rate calculation received from EOHHS. If the facility’s rate changed during the specified period, the facility must report the weighted average direct care add-on per diem amount on line 1, weighted by the number of non-managed care Medicaid days in each period.
2. *Direct care add-on annualization adjustment.* Report the direct care add-on annualization per diem amount specified in the facility’s certified rate calculation received from EOHHS. If the facility’s rate changed during the specified period, the facility must report the weighted average annualization per diem amount on line 2, weighted by the number of non-managed care Medicaid days in each period.
3. *Medicaid non-managed care days.* Report the number of Medicaid bed days paid by MassHealth and the Massachusetts Commission for the Blind in the applicable periods. Do not include residential care (“level IV”) days, non-Massachusetts Medicaid days, or Medicaid Managed Care, Senior Care Options, or OneCare days.
4. *Total Direct Care Add-on Revenue.* For each respective period, this amount is the product of the sum of the Direct Care Add-on per day and the annualization per diem (line 1 + line 2) and Medicaid Non-Managed Care days (line 3). Column A, line 3, should include days for the period October 1, 2015 – June 30, 2016. Column B, line 3, should include days for the period October 1, 2016 – June 30, 2017.
5. *FY16 Direct Care Add-on.* Report the amount the facility spent during the period of January 1, 2016, through June 30, 2016, to comply with the direct care add-on provisions of 101 CMR 206.06(13) effective October 1, 2015. Report the applicable amounts by category.
 - a. Facilities that paid a bonus amount during this period should report the full amount of the bonus payment.
 - b. Facilities that increased wages and benefits should multiply the difference in the average hourly wage and benefit rate between April 1, 2015 -September 30,

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2015, and January 1, 2016 – June 30, 2016, by the number of direct care hours in January 1, 2016 – June 30, 2016.

- c. Facilities that used an alternate method to comply with the FY16 direct care add-on provision may use another reasonable basis to determine the amount spent for the FY16 direct care add-on. EOHHS may require facilities to provide supporting documentation for any calculations completed for this line.
- d. The amount reported in Part A, line 5 may not exceed the total amount of FY16 direct care add-on revenue reported in Part A, line 4(A).

6. *Uses of Add-on Revenue.* Indicate in the applicable boxes how the facility elected to use the add-on revenue. Mark as many boxes as apply. If the facility used the funds in a manner not enumerated on the list, check the box marked “Other” and provide a brief description of the uses in the box provided.

(b) Part B: Bonus(es) Paid to Employees

Note: Part B must be completed only if the facility paid a bonus to employees.

- 1. *Payroll date(s) that the bonus was paid.* Report the date or dates on which the bonuses were paid. Note that only bonuses paid between July 1, 2016, and September 15, 2017, may be counted toward compliance.
- 2. *Summary of Bonuses Paid.* Report by employee type the following:
 - a. Total Bonus Salary Amount. Report the total amount of salary and wages, excluding employer-related tax, paid to the employee as a bonus. If the payment of the bonus triggers an additional required payment, such as an employer match to a 403(b) or 401(k) plan, the facility may include the match amount in the Bonus Salary Amount.
 - b. Total Employer-related Tax Amount. Report the total amount of mandatory payroll taxes paid on the Bonus Salary Amount reported in Part B, line 2(a).
 - c. Total Bonus Amount. Report the sum of Total Bonus Salary Amount (Part B, line 2(a)) and the Total Employer-Related Tax Amount (Part B, line 2(b)).
 - d. Number of Employees Receiving Bonuses. Report the total number of employees who received bonuses. An employee includes full- and part-time employees of the facility. It does not include employees of temporary nursing agencies.
 - e. Number of FTEs Receiving Bonuses. Report the number of full-time equivalents (FTEs) receiving bonuses. To determine the FTE amount, for each employee type, sum the total hours of service to the employees receiving bonuses and divide by 2,080.
- 3. *Bonus Criteria.* Indicate the factors that were used to determine eligibility for the bonus. Mark all that apply. If the facility used a criterion that is not enumerated in the list, check “Other” and provide a brief description in the box provided.

(c) Part C: Statistical and Rate Data

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1. *Medicaid non-managed care patient days.* Report the number of Medicaid bed days for the specified time period paid by MassHealth and the Massachusetts Commission for the Blind. Do not include residential care ("level IV") days, non-Massachusetts Medicaid days, or Medicaid Managed Care, Senior Care Options, or OneCare days.
2. *Total Patient Days.* Report the facility's total nursing facility patient days, including Medicaid bed hold days. Do not include residential care ("level IV") days.
3. *Mean number of beds.* Report the number of licensed operating beds, excluding residential care ("level IV") beds. If the facility had a change in its bed licensure during the base or rate period, the facility must report the weighted average number of beds. The weighted average number of beds is $((\text{total beds} \times \text{days in effect}) + (\text{total beds} \times \text{days in effect})) / \text{total days in the period}$.
4. *Total registered nurse hours.* Report the number of paid hours for registered nurses employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.
5. *Total licensed practical nurse hours.* Report the number of paid hours for licensed practical nurses employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.
6. *Total certified nurse aide hours.* Report the number of paid hours for certified nurse aides (CNAs) employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.
7. *Total dietary aide hours.* Report the number of paid hours for the dietary aides employed by the facility. Do not include hours for contracted or purchased service staff, management, or dietitians. Hours include overtime and paid leave hours.
8. *Total housekeeping aide hours.* Report the total number of paid hours for housekeeping aides. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.
9. *Total laundry aide hours.* Report the total number of paid hours for laundry aides. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.
10. *Total activity staff hours.* Report the total number of paid hours for activity staff. Do not include hours for contracted or purchased service staff. Hours include overtime and paid leave hours.
11. *Total social worker hours.* Report the total number of paid hours for social worker staff. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.
12. *Total direct care hours.* Report the sum of lines 4 through 11.
13. *Total direct care hours: for categories that were paid an increase as part of the direct care add-on program based on the facility's response to Part A, line 6,* report the total direct care hours for only those employee categories that were eligible to receive an increase for the direct care add-on program.

(d) Part D: Expense Data

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1. *Expenses, Lines 1-48.* Report the expenses for the items specified on Part D, lines 1-48. The account numbers listed are the corresponding account on the HCF-1 Nursing Facility Cost report that is filed annually with the Center for Health Information and Analysis (CHIA). Facilities should report expenses for each line item in accordance with the HCF-1 cost report definitions, except that expenses for management expenses should be excluded. Only amounts that would be claimed as allowable expenses on the HCF-1 should be reported. Expenses that are not related to the provision of patient care or that would normally be reported on the HCF-1 as “self-disallowed” should not be reported in Part D.
2. *Salaries.* When reporting salaries, facilities should include all salary expenses including bonuses, shift differential, and overtime pay. Do not include amounts paid for services provided to temporary nursing agencies.
3. *Line 49, total bonus amount.* Report the total amount of bonuses paid to employees, as reported in Part B, line 2(c).
4. *Line 50, SFY2016 Direct Care Add-on Offset.* Report the amount spent by the facility during the period January 1, 2016 – June 30, 2016, to comply with the FY16 direct care add-on, from Part A, line 5.
5. *Line 51, Total Direct Care Expenses.* Report the sum of Part D lines 1 through 48, minus lines 49 and 50.
6. *Line 52, direct care expenses for categories that were paid an increase as part of the direct care add-on program.* Based on the facility’s response to Part A, line 6, sum the total direct care expenses for only those employee categories that were eligible to receive an increase for the direct care add-on program. In reporting this amount, subtract the corresponding bonus amounts that were included for these staff categories on line 49 and the FY16 direct care add-on amounts for these categories that were included on line 50.

(e) Part E: Compliance Calculation

1. *Total direct care expenses: eligible categories.* Report the total direct care expenses from Part D, line 52.
2. *Total direct care hours: eligible categories.* Report the total direct care hours from Part C, line 13.
3. *Average hourly wage and benefit rate.* Divide the direct care expenses from Part E, line 1 by the direct care hours from Part E, line 2.
4. *Change in average hourly wage and benefit rate.* Report the difference in the average hourly wage and benefit rate by subtracting the base period Part E, line 3 from the rate period Part E, line 3. If the amount is negative, enter zero.
5. *Total direct care hours: eligible categories, rate period.* Report the total direct care hours in the rate period from Part C, line 13.

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6. *Rate period wage increase.* Report the product of the change in average hourly wage and benefit rate from Part E, line 4 and the total direct care hours from the rate period, Part E, line 5.
7. *Total paid as bonuses.* Report the bonus amounts paid by the facility, from Part B, line 2(c).
8. *Total amount credited toward compliance.* Report the sum of the rate period wage increase from Part E, line 6 and the amount paid as bonuses from Part E, line 7.
9. *SFY17 direct care add-on revenue, rate period.* Report the amount the facility received as direct care add-on funding from Part A, line 4, column B.
10. *Direct care add-on revenue not spent (or impermissibly spent).* Report the direct care add-on funding from Part E, line 9 minus the amount credited toward compliance from Part E, line 8. If the amount is negative, report zero.
11. *Penalty.* Report the penalty amount, if applicable, by multiplying 25% and the direct care add-on funds not spent (or impermissibly spent).
12. *Amount to be recovered.* Report the sum of the direct care add-on revenue not spent and the penalty. This sum is the amount that may be subject to recovery by EOHHS as described in section 4 of Administrative Bulletin 16-18.